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NO CHANGE in Class. ☐☒ DECLASSIFIED

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CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

COUNTRY Iraq

DATE:

INFO. 6 September 1946

SUBJECT Economic Notes from South Iraq

DISC. 4 November 1946

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ORIGIN
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This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 13 October 1978 from the
Director of Central Intelligence to the
Archivist of the United States
SUPPLEMENT
Next Review Date: 2000

1. The retreat of the flood waters has relieved the plight of the flood sufferers in the south. Apparently, the trustees of the fund which was subscribed for flood relief considered that they no longer were bound to spend or to account for this money, as there are no signs that anything in the way of relief has been given.
2. The recent wage increase granted by the Iraq Petroleum Company to its Kirkuk employees has made very little stir in the southern area. The Rasaidain Oil Company has followed suit on a country-wide basis, and it is almost certain that other commercial concerns will have to do the same in Basra. Part of the argument against the necessity of such a raise in Basra is that most of the companies there provide housing for the employees, a fact which was one of the causes for the walkout in Kirkuk.
3. The Kirkuk pay raise has had a disastrous effect on prices; not only in that town, but elsewhere, food and housing costs are on the increase. At present sugar on the open market costs \$1.80 per lb. in Basra, and tea costs \$7.00 per kilo. The price of sugar has less effect in that region than in others, because dates are used for sweetening, but the price of tea is disastrous.
4. The American-Iraqi Shipping Company, agent for the Panamanian Shipping Company, is trying to establish agencies in the Gulf area, but is having trouble in so doing, as this territory has long been controlled by the British agents, Gray, Mackenzie & Co, Ltd.
5. The automobile market in Basra is subject to controlled prices which, however, appear to be easily evaded by the system of selling a car to a client at the controlled price, after which the client "loans" it to a friend or a relative at an exorbitant price. As an example, source cited that of a car which was sold at the controlled price of cost plus 25% import duty plus 10% profit, and which was "loaned" on the following day to a friend of the buyer for £2000: the dealer's price on the car was £850.

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